

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop C4-23-07
Baltimore, Maryland 21244-1850



Center for Beneficiary Choices

DATE: May 16, 2003

TO: All Managed Care Organizations (MCOs)

SUBJECT: Implementation of the Health Insurance Portability and Accountability Act (HIPAA) Standards Related to Plan Premium Payment (820) -- **ACTION**

The purpose of this letter is to advise you of changes made in mapping the 820 Implementation Guide (4010) to the Plan Payment Letter. CMS planned to use the Automated Clearing House (ACH) payment method code for providing health plan premium payment information to MCOs. However during our testing phase, we learned that the ACH payment method code, which does not support a dollar amount exceeding 11 characters, would not support CMS payments to MCOs without a significant amount of additional work. To overcome this problem, CMS will use the BOP (Financial Institution Option) in place of the ACH network as the payment method code for data element BPR04. CMS believes this change will simplify the use of the 820 transaction.

The BOP payment method code supports dollar amounts over 11 characters, while still allowing the movement of the remittance via an 820 transaction to be communicated outside banking networks. Attached for your use is the revised document mapping the Plan Payment Report to the 820 transaction (Attachment A).

Files in the 820 format are now available for testing. These test files can be accessed either through a non-production version of GROUCH or by directly downloading the files from TSO. See the attached testing procedures (Attachment B).

We regret any inconvenience this change may cause. Thank you in advance for your cooperation on this important matter. Should you require further clarification or need additional information, please contact James Dorsey at (410) 786-1143.

Sincerely,

/s/

Jean D. LeMasurier
Acting Director
Health Plan Benefits Group, CBC

Attachments (2)

ASC X12N 820 Transacti on							
Table	Loop	Segment	Data Element	Usage	Description	Implementation Guide Page #	Contents
HEADER					820 Header Segment ID		"ST"
		ST	ST01	R	Transaction Set ID Code	34	"820"
		ST	ST02	R	Transaction Set Control Number	34	Begin with "0001"
HEADER					Beginning Segment for Payment		"BPR"
		BPR	BPR01	R	Transaction Handling Code	36	"I"
		BPR	BPR02	R	Total Premium Payment Amount	37	"Net Payment"(*)
		BPR	BPR03	R	Credit/Debit Flag Code	37	"C"
		BPR	BPR04	R	Payment Method Code	37	"BOP"
		BPR	BPR16	R	Date (YYYYMMDD)	41	Payment Date
HEADER					Re-association key		"TRN"
		TRN	TRN01	R	Trace Type Code	43	"3"
		TRN	TRN02	R	Reference ID Code	48	"USTREASURY"
HEADER					Coverage Period		"DTM"
		DTM	DTM01	R	Date Time Qualifer	54	"582"
		DTM	DTM05	R	Date Time Period Format Qualifier	55	"RD8"

Attachment A

		DTM	DTM06	R	Date Time Period (YYYYMMDD - YYYYMMDD)	55	"Payment Month"
HEADER					Premium Receiver's Name		"N1"
	1000A	N1	N101	R	Entity Identifier Code	56	"PE"
			N102	R	Name	57	"Plan Name"
			N103	R	Identification Code Qualifier	57	"EQ"
			N104	R	Identification Code	57	"Contract Number"
HEADER					Premium Payer's Name		"N1"
	1000B	N1	N101	R	Entity Identifier Code	62	"PR"
			N102	R	Name	63	"CMS"
			N103	R	Identification Code Qualifier	63	"EQ"
			N104	R	Identification Code	63	"CMS"
DETAIL					Summary Remittance Detail		"RMR"
	2300A	RMR	RMR01	R	Reference Identification Qualifier	75	"CT"
	2300A	RMR	RMR02	R	Reference identification	75	"Contract Number"
	2300A	RMR	RMR04	R	Detail Premium Payment Amount	76	"Net Payment"(*)
	2300A	RMR	RMR05	R	Billed Premium Amount	76	"Gross Payment"
DETAIL					Summary Line Item		"IT1"
	2310A	IT1	IT101	R	Line Item Control #	78	"1"
DETAIL					Member Count		"SLN"
	2315A	SLN	SLN01	R	Line Item Control #	80	"1"

Attachment A

	2315A	SLN	SLN03	R	Information Only Indicator - Value=O	82	"O"
	2315A	SLN	SLN04	R	Quantity	82	"Total Members"
	2315A	SLN	SLN05-1	R	Unit or Basis for Measurement Code	82	"IE"
DETAIL					Summary Remittance Adjustment		"ADX"
	2320A	ADX	ADX01	R	Adjustment Amount	85	"Total Adjustments"
	2320A	ADX	ADX02	R	Adjustment Reason Code (H1)	85	"H1"
SUMMARY					820 Trailer		"SE"
		SE	SE01	R	Number of Included Segments	98	"11"
		SE	SE02	R	Transaction Set Control Number	98	"Same as 820 header"

Attachment B

Testing Procedures

Data files in the 820 format containing your Plan Payment Letter information have been created for your organization to access and download. Your organization will be able to test receipt and processing of the new data. The information contained in these files is not representative of any MCO's monthly payment. The payment month is set to June 2003, the net payment amount is equal to \$99,999.99, the total adjustments are equal to -\$0.01 and the gross payment is equal to \$100,000.00 for all MCOs.

Testing Process

This process will be conducted in a test version of GROUCH. Use the same procedures that you normally use (per Section 6 in the Plan Communications User's Guide) to build the transmit file and download it.

Download procedures

After you connect to CMS Data Center, press ENTER, select 1 – TSO from the CMS Application Menu screen, login and proceed as follows.

- At the ISPF Primary Option Menu, enter =6 on the command line of the ISPF menu and press **ENTER**.
- At the ISPF Command Shell screen, type **grouch1 test skip** on the workstation command line and press the **ENTER** key.
- At the GROUCH Report menu screen, type a T to the left of the Plan Payment item and change the N to a Y to the right of the Plan Payment item and press the **ENTER** key.
- Go to the TSO READY prompt by pressing F3 or enter =x on the command line of the ISPF menu.
- Click on RECEIVE FILES FROM HOST icon on the left side of the tool bar.
- In the HOST FILE NAME block, type (in single quotes) 'XXXX.@BGD5050.R200.DATA', XXXX = userid.
- In the PC FILE NAME block, type C:\PC FILE NAME (plus add . **TXT** (the name the user gives the report))

- Click on options and be sure that ASCII and CRLF are typed in the box.
- Click on OK on the FILE TRANSFER OPTIONS.
- The TRANSFER MODE Box should read TEXT.
- Click on ADD TO LIST.
- Click on the file entry in the “Transfer List”.
- Click on “Receive” button.

If your organization directly downloads files without building a transmission file in GROUCH, use the following data set name:

[OG00.@BGD5050.PLNHXXXX.R062003.PLAN820R](#)

HXXXX = your contract number